

Of Two Minds - America 2021: Inequality is Now Baked In

charles hugh smith : 7-8 minutes

This complete capture of all avenues of regulation and governance can only end one way, a kind of hyper-stagflation.

Zeus Y. and I go way back, and he has always had a knack for summarizing just how insane, disconnected from reality, manipulative and exploitive the status quo narrative has become. I've occasionally published his commentaries and essays here since 2008 [Imaginary Worth, Empire of Debt: How Modern Finance Created Its Own Downfall](#) (October 15, 2008), not coincidentally, in the midst of the previous debt-fueled speculative bubble popping.

Here is Zeus's recent commentary on my *opting out* essay:

"Regarding your excellent recent article: [Now That the American Dream Is Reserved for the Wealthy, The Smart Crowd Is Opting Out](#):

1) The sock puppet theater assumption among the technocrats that economies ebb and flow, go bull and bear, and have moments of advancement and retraction is now irretrievably disproven. We have gone past "too big to fail, too big to jail" and escalated to "so big as to fail upward always and to get away with everything no matter how venal".

When the Fed decided to buy up non-investment grade junk bonds for the first time in its 107-year history, we now have no semblance of the (always iffy and now absurdly irrelevant) "self-regulating" economy. More and more extreme intervention on behalf of the super-rich (even as the real economy is tanking)

will mirror the vaccine mandates on behalf of Big Pharma, even as their vaccines are tanking. "Draining trillions of dollars and stashing them in offshore accounts? You deserve a tax break!"

We have gone far past "moral hazard" and a "rigged game," where the super-rich will make out like bandits, even if they cause a crash. We are in the next phase where it becomes profitable to cause hyperinflation and crashes (which you control by your monopoly powers), and then simply "siphon" (the apt term from this article) whatever is left of the savings and sweat of Jose and Maria American. Inflate and crash. Inflate and crash. Quick money. Guaranteed government bailouts. Manipulated markets (including cryptocurrency by the way-- can you say JPMCoin?).

There is only one way out. Refuse the sordid mess, which has gotten so absurd, and the myths so hollow (educating yourself into massive debt, and working hard, only to be "rewarded" with some downsized employee's work being loaded on you) that there can be no other ultimate option but non-violent civil market disobedience.

2) What is the future of the developing juggernaut called predatory global capital, and their preferred cocaine called "zero interest rate, infinite money printing (ZIRIMP?)?

a. The super-rich will continue to borrow unlimited sums of money at near zero interest rates, so they can claim this new "debt" as a deduction and pay no income tax whatsoever (while vacuuming up every tangible good with this funny money)

b. The super-rich will use the same value-free money to buy stocks (of their own companies and others) sending those valuations and options soaring on nothing other than an artificial and infinite "demand", while being assured of special treatment and no prosecutions.

c. The super-rich will circle wagons around one-another-- Big Legacy Media, Big Social Media, Big Pharma, etc. This can be

seen in Big Social Media's promotion to disinformation by the Biden administration and censoring of real and critical scientific pushback because the billions of taxpayer-funded government contracts Big Everything knows they can get if they play along. Again, we will see acceleration toward rebellion, as people are finding ways to move away from these monopolies like YouTube and Facebook into Telegram, Rokfin, and Rumble.

d. Not only have the "little people" had \$50 trillion of their productivity stolen, but many trillions more for having an effective savings interest rate of 0% for the past 12 years. What are we "saving up for" when our money in savings has literally no growing power at all? Who needs workers anyway when you can ship every productive asset and manufacturing to China, and have them holding both the strings and the bag of the global economy?

e. This complete capture of all avenues of regulation and governance can only end one way, I can see, a kind of hyper-stagflation, i.e. plummeting (real) growth and hyperinflation as both Fed and government "stimulus" only supply trillions of dollars more to the richest while the little guys gets screwed over and over under the guise of helping them (where "paycheck protection programs" fund hedge funds on Wall Street and somehow manage to miss mom-and-pop businesses on an increasingly shuttered Main Street).

This growing gap will reach a critical point when we have supply line collapses and unpredictable events around credit. Perish forbid if we have an interruption of the internet. We are headed to that station, GBOAT, the Greatest Bubble Of All Time alright, and it is just a matter of how long it's going to take for this runaway train to get there."